

**CITY OF FOUNTAIN INN MUNICIPAL COURT
FOUNTAIN INN, SOUTH CAROLINA**

STATE AUDITOR'S REPORT

DECEMBER 31, 2012

CONTENTS

	<u>PAGE</u>
I. INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES	1
II. ACCOUNTANT'S COMMENTS	
VIOLATIONS OF STATE LAWS, RULES OR REGULATIONS	4
ADHERENCE TO FINE GUIDELINES	5
TIMELY SUBMISSION OF STATE TREASURER'S REVENUE REMITTANCE FORM	6
CITY'S RESPONSE	7

State of South Carolina



Office of the State Auditor

1401 MAIN STREET, SUITE 1200
COLUMBIA, S.C. 29201

RICHARD H. GILBERT, JR., CPA
DEPUTY STATE AUDITOR

(803) 253-4160
FAX (803) 343-0723

INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

April 4, 2013

The Honorable Nikki R. Haley, Governor
State of South Carolina
Columbia, South Carolina

The Honorable Tammy E. Finley, Administrative Judge
Fountain Inn Municipal Court
Fountain Inn, South Carolina

Ms. Sandra Woods, City Clerk/Treasurer
City of Fountain Inn
Fountain Inn, South Carolina

We have performed the procedures described below, which were agreed to by the City of Fountain Inn and the City of Fountain Inn Municipal Court, solely to assist you in evaluating the performance of the City of Fountain Inn Municipal Court for the fiscal year ended December 31, 2012, in the areas addressed. The City of Fountain Inn and the City of Fountain Inn Municipal Court are responsible for its financial records, internal controls and compliance with State laws and regulations. This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of the City of Fountain Inn and the City of Fountain Inn Municipal Court. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

The procedures and the associated findings are as follows:

1. **Clerk of Court**

- We gained an understanding of the policies and procedures established by the Clerk of Court to ensure proper accounting for all fines, fees, assessments, surcharges, forfeitures, escheatments, or other monetary penalties.
- We obtained certain judgmentally selected court dockets from the Administrative Judge. We randomly selected 25 cases from the reports and recalculated the fine, fee, assessment and surcharge calculation to ensure that the fine, fee, assessment or surcharge was properly allocated in accordance with applicable State law. We also determined whether the fine, fee, assessment and/or surcharge adhered to State law and to the South Carolina Court Administration fee memoranda.

The Honorable Nikki R. Haley, Governor
and
The Honorable Tammy E. Finley, Administrative Judge
Ms. Sandra Woods, City Clerk/Treasurer
City of Fountain Inn
April 4, 2013

Our finding as a result of these procedures is presented in Adherence to Fine Guidelines in the Accountant's Comments section of this report.

2. **City Treasurer**

- We gained an understanding of the policies and procedures established by the City to ensure proper accounting for court fines, fees, assessments, surcharges, forfeitures, escheatments, or other monetary penalties.
- We obtained copies of all State Treasurer's Revenue Remittance Forms submitted by the City for the fiscal year ended December 31, 2012. We agreed the line item amounts reported on the State Treasurer's Revenue Remittance Forms to the monthly court remittance reports and to the State Treasurer's receipts. We also agreed the total revenue due to the State Treasurer to the general ledger.
- We determined if the State Treasurer's Revenue Remittance Forms were submitted in a timely manner to the State Treasurer in accordance with State law.
- We verified that the amounts reported by the City on its supplemental schedule of fines and assessments for the fiscal year ended December 31, 2011, agreed to the City's general ledger. We also determined if the supplemental schedule of fines and assessments contained all required elements in accordance with State law.

Our finding as a result of these procedures is presented in Timely Submission of State Treasurer's Revenue Remittance Form in the Accountant's Comments section of this report.

3. **Victim Assistance**

- We gained an understanding of the policies and procedures established by the City to ensure proper accounting for victim assistance funds.
- We made inquiries and performed substantive procedures to determine that any funds retained by the City for victim assistance were accounted for in a separate account.
- We tested one judgmentally selected victim assistance expenditure to ensure that the City expended victim assistance funds in accordance with State law and South Carolina Court Administration Fee Memoranda, Attachment L.
- We determined if the City reported victim assistance financial activity on the supplemental schedule of fines and assessments in accordance with State law.
- We inspected the City's general ledger to determine if the Victim Assistance Fund balance was retained as of January 1 from the previous fiscal year in accordance with State law.

We had no exceptions as a result of the procedures

The Honorable Nikki R. Haley, Governor
and
The Honorable Tammy E. Finley, Administrative Judge
Ms. Sandra Woods, City Clerk/Treasurer
City of Fountain Inn
April 4, 2013

We were not engaged to and did not conduct an audit, the objective of which would be the expression of an opinion on compliance with the collection and distribution of court generated revenue at any level of court for the twelve months ended December 31, 2012, and, furthermore, we were not engaged to express an opinion on the effectiveness of internal controls over compliance with the laws, rules and regulations described in paragraph one and the procedures of this report. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of the Governor, Chairman of the House Ways and Means Committee, Chairman of the Senate Finance Committee, Chairman of the House Judiciary Committee, Chairman of the Senate Judiciary Committee, members of the City of Fountain Inn City Council, City of Fountain Inn Municipal Judges, City of Fountain Inn Clerk/Treasurer, State Treasurer, State Office of Victim Assistance, and the Chief Justice and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in black ink, appearing to read "Richard H. Gilbert, Jr.", with a stylized flourish at the end.

Richard H. Gilbert, Jr., CPA
Deputy State Auditor

ACCOUNTANT'S COMMENTS

VIOLATIONS OF STATE LAWS, RULES OR REGULATIONS

Management of the entity is responsible for establishing and maintaining internal controls to ensure compliance with State Laws, Rules or Regulations governing court collections and remittances. The procedures agreed to by the entity require that we plan and perform the engagement to determine whether any violations of State Laws, Rules or Regulations occurred.

The conditions described in this section have been identified as violations of State Laws, Rules or Regulations.

ADHERENCE TO FINE GUIDELINES

During our test of Municipal Court collections and remittances, we noted the following instances in which the Court did not fine the defendant in accordance with State law:

1. The Court fined an individual \$299.76 for driving under suspension, license suspended for DUI, 1st offense. Section 56-1-460(A)(2) of the 1976 South Carolina Code of Laws, as amended, states, "A person who drives a motor vehicle on any public highway of this State when his license has been suspended or revoked pursuant to the provisions of Section 56-5-2990 must, upon conviction, be punished as follows:(a) for a first offense, fined three hundred dollars or imprisoned for not less than ten nor more than thirty days."
2. The Court fined four individuals \$38.55 for speeding, 10 mph or less over the speed limit. Section 56-5-1520(G) of the 1976 South Carolina Code of Laws, as amended, states, "A person violating the speed limits established by this section is guilty of a misdemeanor and, upon conviction for a first offense, must be fined or imprisoned as follows: (1) in excess of the above posted limit but not in excess of ten miles an hour by a fine of not less than fifteen dollars nor more than twenty-five dollars."
3. The Court fined one individual \$204.82 and another individual \$99.76 for possession of 28g (1 oz) or less of marijuana or 10g or less of hash or cocaine, 1st offense. Section 44-53-370(d)(4) of the 1976 South Carolina Code of Laws, as amended, states, "A person who violates this subsection with respect to twenty-eight grams or one ounce or less of marijuana or ten grams or less of hashish is guilty of a misdemeanor and, upon conviction, must be imprisoned not more than thirty days or fined not less than one hundred dollars nor more than two hundred dollars."

The Administrative Judge stated the errors in fine assessments were due to oversight.

We recommend the Municipal Court implement procedures to ensure fines levied by the court adhere to applicable State law.

TIMELY SUBMISSION OF STATE TREASURER'S REMITTANCE FORM

During our testing of the City's State Treasurer's Revenue Remittance Forms (STRRF), we noted eight out of twelve STRRF were not submitted to the State Treasurer by the fifteenth day of the month as required by State law. The forms were submitted from approximately one to thirteen days late.

The Administrative Judge and the City Clerk/Treasurer stated the late submissions were due to oversight.

Section 14-1-208(B) of the 1976 South Carolina Code of Laws, as amended, requires the City to remit the balance of the assessment revenue to the State Treasurer on a monthly basis by the fifteenth day of each month and make reports on a form and in a manner prescribed by the State Treasurer.

We recommend the City implement procedures to ensure the STRRF are submitted by the fifteenth day of each month in compliance with State law.

CITY'S RESPONSE

July 3, 2013

Richard H. Gilbert, Jr., CPA
Deputy State Auditor
Office of the State Auditor
1401 Main Street, Suite 1200
Columbia, SC 29201

Dear Mr. Gilbert:

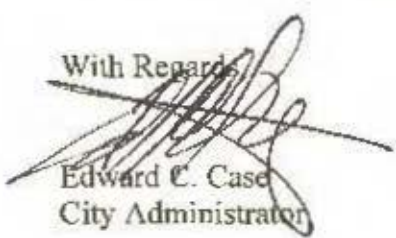
Thank you for providing the preliminary draft audit report for the City of Fountain Inn Municipal Court for the calendar year ending December 31, 2012. The City Administrator, City Clerk/Treasurer, and the Administrative Judge have reviewed the report in its entirety and authorize the release of the preliminary reports and findings.

In response to the finding of timely submissions of State Treasurer's Revenue Remittance Form, the City Clerk/Treasurer previously submitted the form by fax to the State Treasurer's Office after it was reviewed by the City Administrator and Account Payable Department. The City Clerk/Treasurer has implemented a procedure to prevent reoccurring problems from submission of the form. Beginning with the August 2013 remittance, the Court will now submit the form electronically and submit the paperwork to the City Clerk/Treasurer. The City Clerk/Treasurer then review the report for accuracy and then submit it to the State Treasurer's Office ACH Debit Authorization Program. This will correct the timeliness of filing the reports with the State Treasurer's Office.

In regards to the Adherence to Fine Guidelines, the Municipal Court Staff is implementing procedures to ensure that fines levied adhere to the minimum and maximum required by State Law.

If we can be of further assistance, please feel free to contact us.

With Regards,



Edward C. Case
City Administrator

Fountain Inn

The City of Fountain Inn

-7-

200 N. Main Street • Fountain Inn, SC 29644 • 864-862-4421 Fax: 864-862-4812
Website: www.fountaininn.org

the Inn place to be

5 copies of this document were published at an estimated printing cost of \$1.34 each, and a total printing cost of \$6.70. Section 1-11-125 of the South Carolina Code of Laws, as amended requires this information on printing costs be added to the document.